

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 2/17/2015	(3) CONTACT/PHONE Mark Hutchinson, Deputy Director of Public Works (805) 781-5252	
(4) SUBJECT Request for Board direction regarding Public Works Department reorganization to create a Water Resources Division. All Districts.			
(5) RECOMMENDED ACTION It is recommended that your Board Direct the Director of Public Works to: 1. Establish a Water Resources Division within the Department of Public Works and return to the Board to amend the Position Allocation List (PAL) to add a 1.0 FTE Division Manager – Water Resources to the 14/15 FY budget (current year), and 2. Return to the Board to Designate John Diodati as the Paso Basin District Project Manager and Amend the Salary Range for Employee Position Class 280 Department Administrator to Affect a Temporary 15% Salary Increase.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT { } Consent { } Presentation { } Hearing (Time Est. ____) {X} Board Business (Time Est. <u>25 Min.</u>)			
(11) EXECUTED DOCUMENTS { } Resolutions { } Contracts { } Ordinances {X} N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: { } 4/5 Vote Required {X} N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY {X} N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

Reference: 15FEB17-BB-2

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Mark Hutchinson, Deputy Director of Public Works

VIA: Wade Horton, Director of Public Works

DATE: 2/17/2015

SUBJECT: Request for Board direction regarding Public Works Department reorganization to create a Water Resources Division. All Districts.

RECOMMENDATION

It is recommended that your Board Direct the Director of Public Works to:

1. Establish a Water Resources Division within the Department of Public Works and return to the Board to amend the Position Allocation List (PAL) to add a 1.0 FTE Division Manager – Water Resources to the 14/15 FY budget (current year), and
2. Return to the Board to Designate John Diodati as the Paso Basin District Project Manager and Amend the Salary Range for Employee Position Class 280 Department Administrator to Affect a Temporary 15% Salary Increase.

DISCUSSION

Water Resources Division

The Department of Public Works performs work related to water resource management and planning with staff assigned to the Utilities Division. The Utilities Division is also tasked with operating existing water, wastewater, and flood control facilities across the County.

“Operations” includes developing, maintaining, and implementing capital improvement programs for each County operated utility system. With the Nacimiento project in operation and the Los Osos Wastewater project nearing completion, operational and system support needs (including staffing and management) have and will increase accordingly.

Over the last several years the Division has seen an incremental increase in work related to water resource management and planning, to the degree that a need to make changes to the organization was becoming apparent. Typical work efforts have involved: the updating and ongoing implementation of the Integrated Regional Water Management (IRWM) Plan; regional drought relief grant program and projects; Paso Robles Groundwater Basin management, outreach, and AB2453 District formation efforts; as well as resource planning for alternative supplies. The Public Works

Utilities Division has redirected staffing resources to keep pace with the demand for these services and work products. With the passage of the Sustainable Groundwater Management Act in 2014, long term water resource management needs will continue to increase.

However, management of existing utilities systems versus the planning and monitoring of long range water issues has proven a challenge to the existing organizational structure and management resources with consequent concerns regarding the advancement of appropriate priorities relative to community needs.

Therefore, due to extensive water resource planning demands placed on the Department, there is a need to create a new division dedicated to this purpose. As we move forward to implement the Sustainable Groundwater Management Act, the need to organize the existing structure and staff assignments to respond effectively and efficiently has become paramount.

The attached report, *“Organizational Needs Concerning Management of Water and Wastewater Utilities and Water Resources Planning, San Luis Obispo County Department of Public Works,”* looks in depth at the existing organizational structure and proposes a new Water Resources Division to meet current and future water resource management, planning, and development needs. The action before your Board today would endorse this organizational restructure and augment the 14/15FY Budget by adding a new position allocation to include 1.0 FTE (Full Time Equivalent) Division Manager – Water Resources. In addition, the Department is currently conducting recruitments to fill budgeted but vacant Engineer III and Engineer IV positions to augment staff proposed to be moved into the new division. In the case of the Engineer IV recruitment, the Department is defining the position with a subclass category of “Hydrologist” to manage and oversee the technical unit charged with the critical data element of water resource management. This effort will include data collection, analysis, and record keeping, and the oversight of specialty consultants engaged in the development of groundwater assessment models.

With this revised structure the Department will be positioned to better manage both existing and anticipated water resource management responsibilities. At the same time, the Department will be better able to meet existing commitments for the operation of wholesale water systems, as the water purveyor for our small community systems, as the operator of community wastewater systems, and the operator of important flood control infrastructure, through internal organizational adjustments to the existing Utilities Division.

Paso Basin District Project Manager

The attached memorandum, *“Management Needs for the Paso Robles Basin District Formation Project”* describes the management efforts needed to manage the effort to place the formation of a Paso Robles Basin Water District before the voters, along with the unique abilities of John Diodati, a Department Administrator within the Department of Public Works. Of two options, hiring a full time Project Manager vs compensating Mr. Diodati for up to 60 hours per week, the second is most preferable because it is substantially less costly, takes advantage of Mr. Diodati’s unique experience and abilities, and will result in a more timely process.

It is important to note that the assignment to Mr. Diodati is temporary in nature. Similar to the Nacimiento and Los Osos Projects, once Project efforts conclude with the formation and funding votes in 12 - 14 months the temporary assignment of Mr. Diodati’s duties would cease along with the recommended compensation included in this memorandum item.

OTHER AGENCY INVOLVEMENT/IMPACT

As described in the accompanying report, the water resources management and water / wastewater / flood control responsibilities managed by the Department's Utilities Division intersect with, complement, and support nearly all of the Cities, Community Service Districts, mutual and private water districts, and State institutions, in and adjacent to the County. With the advent of the Sustainable Groundwater Management Act, these responsibilities will also engage the majority of residents throughout the County.

The Department of Planning and Building will play a key role in the regulation of land use for the final implementation of Groundwater Sustainability Plans. Much of the data collection and groundwater assessments required by the Sustainable Groundwater Management Act will be provided by the proposed new Division and will be central to the coordination of groundwater management with land use planning.

The Human Resources Department will process a final job specification for a new Water Resources Division Manager position.

The recommendations in this report, refocusing the existing Utilities Division and creating a new Water Resources Division, do not in and of themselves include new water management or service activities but rather are intended to respond more efficiently and effectively to existing needs as well as to new mandates imposed by the State. Consequently, the intent is that the impact to the agencies and communities described above should manifest themselves as positive improvements in the service levels provided by the County.

FINANCIAL CONSIDERATIONS

The existing Utilities Division currently has 8.5 FTE (Full Time Equivalent) positions budgeted in various Flood Control District funds to provide for water resource planning activities. The new Division Manager for Water Resources would increase salary and benefit costs by \$187,900. In order to sustain this position over the long term from existing revenue streams, this proposal reduces the existing budget for consulting services by an equal amount as shown in Exhibit D. With the creation of a division focused on water resource planning and one additional FTE, it is anticipated that the need for consulting services over the long term will be reduced.

In the near future, implementation of the Sustainable Groundwater Management Act could result in the need for additional staffing. However, the Act allows for new funding mechanisms in affected areas and State grant funding may become available for the implementation of the Act.

The additional salary and related benefit costs for a temporary 15% increase to the compensation for a Department Administrator would equal about \$16,000 per year, or \$19,000 should the Project require a full 14 months to complete. Funding for this cost is available in the Flood Control General Fund.

RESULTS

Approval of the recommended action will address pressing water resource management needs for the region and enhance the ability to plan for and manage current and long term water supplies. This provides for a safe, well-governed and livable community by proactively managing our water resources.

Reference: 15FEB17-BB-1

File: CF 905.10.01 Formation

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ATTACHMENTS

1. Attachment A: Organizational Needs Concerning Management of Water and Wastewater Utilities, and Water Resource Planning. San Luis Obispo County Department of Public Work
2. Attachment B: Staffing Needs for the Paso Robles Basin District Formation Project